

ESTATE PLANNING-10/6/2010

BASIC DOCUMENTS TO PREPARE:

- WILL:
 - Avoids “intestate” estate (makes sure the people/organizations that you want to receive your assets receive them.

 - Nominates guardian for minor children

 - Waives probate bond

 - Chooses executor

 - Specific Bequests

 - Defers distribution to minors

 - Tax Savings (“Credit Shelter Trusts”)

 - Peace of Mind

- HEALTH CARE DIRECTIVE (“LIVING WILL”)
 - Access to Medical Records (HIPAA)

 - “Do Not Resuscitate” (DNR) Orders

- DURABLE POWER OF ATTORNEY
 - “Springing Power” only upon disability/incapacity

 - Handles disabled/incapacitated individual’s financial/business affairs

WHAT IS PROBATE?:

- Court supervised transfer of assets from decedent to heirs.
 - High attorney/executor/accounting/court fees
 - Public access to information
 - Length of time to settle estate: 6-18 months

AVOIDING PROBATE:

- Joint Tenancy With Rights of Survivorship (JTWROS)
- TOD (Transfer on Death)-Non-Retirement Brokerage/Investment Accounts
- POD (Payable on Death)-Bank Accounts
- TODD (Transfer on Death Deed)-Real Estate
- Beneficiaries-Retirement Accounts, Life Insurance, Annuities
- Trusts-Revocable/Irrevocable

WHAT GOES THROUGH YOUR WILL?:

- Anything that is not covered by the "avoiding probate items"
- Beneficiary documents may be more important than your will!
 - It doesn't matter what your will says, if your beneficiary documents say something different than your will, the beneficiary document trump/supersede your will!

AVOIDING UNNECESSARY TAXES:

- Retirement Accounts
 - Life expectancy-not lump sum!

 - Make sure to have both primary and contingent beneficiaries

 - Tax deferred assets are better left to charity on your beneficiary forms, not through cash donations in your will. (Charities don't pay tax-your beneficiaries will!)

- Don't have spouses inherit everything automatically-overloads surviving spouses estate.